

36.1
3r
1936-38

Montana. Dept. of
State Lands and
Investments
Biennial report
for the period
beginning July 1
... and ending

DOCUMENTS

MONTANA



DEPARTMENT OF STATE LANDS AND INVESTMENTS

BIENNIAL REPORT

For the Period Beginning
JULY 1, 1936 AND ENDING
JUNE 30, 1938

NANITA B. SHERLOCK
Commissioner of State Lands and Investments

Montana Dept. of State Lands and Investments
930 East 7th Street
Helena, Montana 59601

3 0864 1004 7690 5

BBU JAN 30 '74

S/336.1/L3r/1938
Montana. State Lands, Department of
Report, 1936-38

STATE DOCUMENTS

MONTANA STATE LIBRARY
930 East Lyndale Avenue
Helena, Montana 59601

MONTANA



DEPARTMENT OF STATE LANDS AND INVESTMENTS

BIENNIAL REPORT

For the Period Beginning
JULY 1, 1936 AND ENDING
JUNE 30, 1938

NANITA B. SHERLOCK
Commissioner of State Lands and Investments



**MONTANA
STATE LAND DEPARTMENT**

**STATE BOARD OF
LAND COMMISSIONERS**

Hon. Roy E. Ayers, Governor, President.

Hon. Ruth Reardon, Superintendent of Public Instruction.

Hon. Sam W. Mitchell, Secretary of State.

Hon. Harrison J. Freebourn, Attorney General.

**OFFICERS OF THE DEPARTMENT OF STATE LANDS
AND INVESTMENTS**

NANITA B. SHERLOCK,

Commissioner of State Lands and Investments
and Secretary to the Board.

CURTIS BURNS	- - - - -	Assistant Commissioner
H. C. BIERING	- - - - -	Chief Field Agent
RUTLEDGE PARKER	- - - - -	State Forester (Missoula)

**FEDERAL LAND GRANTS TO THE
STATE OF MONTANA**

Grant	Acres
Public School	5,188,000.00
State University	46,720.00
Agricultural College—Morrill Grant	90,000.00
Agricultural College—Second Grant.....	50,000.00
School of Mines	100,000.00
State Normal Schools	100,000.00
Deaf and Dumb Asylum	50,000.00
State Reform School	50,000.00
Public Buildings (State Capitol)	182,000.00
Soldiers' Home	1,275.61
"Militia Camp," now used as Agricultural Experiment Station	640.00
Agricultural and Manual Training School.....	2,000.00
State Penitentiary	9.75

C O N T E N T S

	Page No.	Table No.
Federal Land Grants to the State of Montana.....	4	
Letter of Transmittal.....	7	
Income From All Sources, 1936-1937.....	8	I
Income From All Sources, 1937-1938.....	9	II
Receipts for Permanent Funds, 1936-1937.....	10	III
Receipts for Permanent Funds, 1937-1938.....	11	IV
Receipts from State Lands and Permanent Funds by Years	12	V
Total Investments Made, 1936-1937.....	13	VI
Total Investments Made, 1937-1938.....	13	VII
Permanent Assets, June 30, 1937.....	14	VIII
Permanent Assets, June 30, 1938.....	15	IX
Total Gross Income, 1930-1938.....	16	X
Total Receipts for the Permanent Funds, 1930-1938....	17	XI
Comparison of Permanent Assets, 1930-1938.....	18	XII
Miscellaneous Items of Interest.....	19	
Detail of Investments Made, 1936-1937.....	20, 21	XIII
Detail of Investments Made, 1937-1938.....	22, 23	XIV
Summary of Land Sales for Biennium Ending June 30, 1938	24	XV
Summary of All Land Sales Up to June 30, 1938.....	25	XVI
Easement Deeds Issued, 1936-1938.....	26	XVII
Officers of State Land Department, 1891-1938.....	27	
Lands Unsold in Each Grant by Counties, June 30, 1938	28, 29	XVIII
Agricultural and Grazing Leases in Effect June 30, 1938	30	XIX
Oil and Gas, Coal, and Mining Leases in Effect June 30, 1938	31	XX
Leasing of State Lands for Oil and Gas, Coal and Minerals	31, 32	

C O N T E N T S — (Continued)

	Page No.	Table No.
Rentals and Royalties Received on Coal, Oil and Gas Leases, and Sand and Gravel Permits.....	33	XXI
Condition of State Farm Loans and Contracts, June 30, 1938	34	XXII
Pertinent Facts and Figures Relating to Farm Loans..	35, 36	
Apportionment of Public School Interest and Income Fund	37	XXIII
Income of Department Apportioned to Counties, 1930- 1938	38, 39	XXIV
Additions to the Public School Permanent Fund.....	40	XXV
Cost of Administration.....	41	XXVI

STATE OF MONTANA
BIENNIAL REPORT OF THE
COMMISSIONER OF STATE LANDS
AND INVESTMENTS

Helena, Montana
December 1, 1938

His Excellency, Roy E. Ayers,
Governor of the State of Montana.

Sir.

In accordance with Section 1805.10 of the Revised Codes of Montana, 1935, I herewith submit the Biennial Report of the Commissioner of State Lands and Investments for the two-year period beginning July 1, 1936, and ending June 30, 1938.

Respectfully submitted,

NANITA B. SHERLOCK,
Commissioner.

TABLE No. I.
INCOME FROM ALL SOURCES DURING FISCAL YEAR JULY 1, 1936, TO JUNE 30, 1937

Institutions and Funds to Which the Income Belongs	Rentals on Agricultural Land and Grazing Leases	Grazing Fees Collected by State Forester	Rentals on Oil and Gas Leases	Interest on Land Sales (C.P.'s)	Interest and Other Income from Farm Mortg's	Interest on Bonds	Interest on Bank Deposits	Misc. Income	Fees Penalties Etc.	TOTALS
State General Fund.....	\$17,915.05	\$5,949.05	\$25,159.50	\$75,567.13	\$8,585.74†	\$8.....	\$8.....	\$8.....	\$8.....	\$8,162.29‡
Public Schools.....	690,861	510,459	72,00	548.21	\$7,100.49	454,322.72	1,829.39	2,1498.18†	P 10,930.59	\$17,092.88
State University.....	3	3	.....	510.78	.....	20,788.52	.....	6,986.25†	.....	\$58,113.60
Agricultural Col.—Morrill.....	559.72	541.83	.....	1,032.29	.....	20,468.35	.....	.....	.....	\$22,099.89
Agricultural Col.—Second.....	.....	325.58	720.00	1,993.48	.....	9,722.42	.....	.....	.....	24,018.72
School of Mines.....	1,878.13	301.21	467	14,873.38	.....	27,019.38	.....	.....	.....	11,886.76
State Normal Schools.....	2,153.82	453.85	.....	112.32	.....	1,634.35	.....	.....	.....	31,934.57
Deaf and Dumb Asylum.....	1,114.55	471.55	.....	142.80	.....	8,209.10	.....	.....	.....	17,791.04
State Reform School.....	1,152.55	471.55	.....	2,294.86	.....	.....	.....	.....	.....	9,305.07
Capitol Buildings.....	3,113.43	1,246.75	403.96	.....	.....	152.98	.....	.....	.....	9,581.55
Soldiers' Home.....	13.60	.....	.....	.....	.....	.....	.....	.....	.....	7,089.00
Montana Tr. & Legacy Fund	.....	.....	.....	.....	.....	.....	.....	.....	.....	166.58
Veterans' Memorial.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	8,290.72
O. H. & T. B. Society.....	5.00	.....	.....	63.52	.....	1,215.56	4.45	522.09*	.....	1,862.16
TOTALS	\$184,551.30	\$ 8,937.85	\$26,283.46	\$82,732.77	\$95,468.625	\$572,743.53	\$ 1,833.84	\$29,206.52	\$17,092.88	\$1,019,368.40

* Wheat Allotment Receipts.

† Electrical Energy Tax.

‡ Boxing Match Receipts from Counties.

The year 1936-37 witnessed the culmination of the drought era in Montana and the depletion of its herds and flocks and reduction of agricultural acreage. This situation is reflected in decreased grazing and agricultural rentals for this period. However, despite adverse conditions the farmers and stockmen of the state kept approximately three and a quarter million acres of state land under lease.

TABLE No. II.
INCOME FROM ALL SOURCES DURING FISCAL YEAR JULY 1, 1937, TO JUNE 30, 1938

Institutions and Funds to Which the Income Belongs	Rentals on Agricultural and Grazing Leases	Grazing Fees Collected by State Forester	Rentals on Oil and Gas Leases	Interest on Land Sales (C. P.'s)	Interest and Other Income from Farm Mortg's	Interest on Bonds	Wheat Allotment Pay-ments	Misc. Income	Fees and Penalties	TOTALS
State General Fund.....	\$ 192,823.34	6,288.13	32,796.28	65,158.91	8,364.30 [†]					\$ 6,377.96 [§]
Public Schools.....	1,621.15	416.00		638.08	98,044.34	431,311.90	25,978.54 [§]	10,054 [‡]	P 9,571.29	15,949.19
State University.....	3,771.63					20,734.71		2,39*		\$91,233.55
Agri. Col.—Morrill Grant.....	6,477.20	1,011.26				827.43				22,553.33
School of Mines.....	1,990.88	498.97	480.00	522.33		19,889.70				24,488.82
State Normal Schools.....	2,337.99	364.68		3,376.42		8,903.11				11,106.93
Deaf and Dumb Asylum.....	478.50	355.35		441.11		26,991.64				33,337.91
State Reform School.....	1,433.68	297.04		302.20		16,207.88				19,251.66
Capitol Buildings.....	3,066.59	1,091.90	343.96	1,213.64		4,942.57				6,079.22
Soldiers Home.....	53.45					7,227.33		2.50*		9,200.32
Mont. Tr. & Legacy Fund.....										5,716.09
Veterans Memorial.....	5.00									3,028.07
O. H. & T. B. Society.....										9,053.40
										2,080.22
										67.23
TOTALS.....	\$207,210.47	\$10,323.95	\$33,620.24	\$72,792.20	\$107,038.64	\$547,380.94	\$25,978.56	\$30,031.75	\$ 15,949.19	\$1,050,325.94

[†] Wheat Allotment Payments.

[‡] Refunds.

[§] Electrical Energy Tax.

It will be noted that the income for this fiscal year exceeds that of last by nearly \$31,000.00. The receipts for electrical energy taxes contributed substantially to this increase, Chapter 83 of the 1937 Session Laws re-allocated to the Public School Interest and Income Fund 25% of the electrical energy tax, which had been turned over to State Public School General Fund by the 1935 Legislature.

Lowered interest rates on bonds are reflected in the decreased income from this source. Lessened interest from land sales is accounted for by the fact that during the past year many hopelessly delinquent certificates of purchase have been cancelled and the lands leased.

Rental receipts show a marked increase. TABLE No. II. INCOME FROM ALL SOURCES DURING FISCAL YEAR JULY 1, 1937, TO JUNE 30, 1938

* Transfers.
z Boxing Match Receipts from Counties.

STATE LAND DEPARTMENT

SOURCES OF INCOME:

Agricultural and grazing lease rentals
Grazing fees collected by State Forester
Oil and gas lease rentals
Interest on certificates of purchase
Interest on farm mortgages
Interest on bonds and warrants
Interest on bank deposits
Allotment payments
Boxing match receipts from counties
25% of Electrical Energy tax (Chapter 83, Laws of 1937)

RECEIPTS FOR PERMANENT FUNDS:

Land sales - first payments and installments on certificates of purchase
Rights of Way
5% U. S. land sales in Montana
5% of annual income for Public School Interest and Income Fund
Sales of timber
Oil and gas, coal, and sand and gravel royalties
Repayments on mortgages
Repayments on bonds

**CONDITION OF CAPITOL BUILDING BONDS HELD BY DEPARTMENT OF STATE LANDS
as of January 1, 1939**

as of January 1, 1939

TABLE No. III.
RECEIPTS FOR PERMANENT FUNDS FROM ALL SOURCES DURING FISCAL YEAR
JULY 1, 1936, TO JUNE 30, 1937

Institutions and Permanent Funds to Which the Receipts Belong	Land Sales First Payments	Installments on Land Sales (C. P.'s)	Timber Sales by State Forester	Oil & Gas Royalties Etc.	Coal, Sand and Gravel Etc.	Total of These Initial Payments	Repayments on Mortgages	Repayments on Bonds	GRAND TOTALS
\$ 72,834.83	\$ 3,967.55	\$ 3,967.55	\$ 121.48	\$ 5,313.58	\$ 5,313.58	\$ 285,543.88	\$ 27,400.67*	\$ 2,188,478.73	\$ 2,750,1423.58
† 44,116.11	70,961.96	241.40	25,842.51	10,00	10,00	634.80	1,011.34	135,750.36	135,750.36
State University	383.40	1,011.34	—	—	—	—	—	48,410.67	49,422.01
Agri. Col.—Morrill Grant	—	—	668.97	—	—	946.96	—	44,508.05	44,508.05
Agri. Col.—Second Grant	—	1,626.09	674.56	—	—	3,780.65	—	92,307.22	96,087.87
School of Mines	1,310.00	442.92	1,472.17	—	—	1,915.09	—	122,311.24	124,226.33
State Normal Schools	—	47.16	—	—	—	—	—	—	—
Deaf and Dumb Asylum	† 100.00	578.04	3,144.21	—	—	3,869.41	—	61,926.57	65,739.98
State Reform School	—	315.29	3.00	—	—	—	—	35,653.43	37,334.70
Capitol Buildings	197.84	—	1,362.98	—	—	1,681.27	—	—	—
Soldiers' Home	788.71	3,705.62	2,184.22	2,122.83	—	8,949.22	—	—	—
Montana Tr. & Legacy Fund	z 1,250.00	—	—	—	—	1,250.00	—	38,353.58	39,803.58
Veterans' Memorial	—	25.55	—	—	—	25.55	—	16,905.12	16,905.12
O. H. & T. B. Society	—	—	—	—	—	—	—	25.55	25.55
TOTALS	\$124,853.60	\$79,328.20	\$35,474.10	\$64,436.68	\$ 5,565.59	\$309,658.17	\$ 27,400.67	\$2,784,492.62	\$3,121,551.46

† Rights-of-Way.
‡ 5% Total Income for 1936.
§ Collected by this Department.
z University Scholarships and Prizes.

* Includes \$2,020.31 oil and gas royalties.

Exceptionally large repayments on bonds were made during the period covered by this table.

TABLE No. IV.
RECEIPTS FOR PERMANENT FUNDS FROM ALL SOURCES DURING FISCAL YEAR
JULY 1, 1937, TO JUNE 30, 1938

Institutions and Permanent Funds to which the Receipts Belong	Land Sales First Payments	Installments on Land Sales (C. P. S.)	Timber Sales by State Forester	Oil & Gas Royalties	Coal, Sand and Gravel Etc.	Total of These Initial Payments	Repayments on Mortgages	Repayments on Bonds	GRAND TOTALS
Public Schools.....	\$ 2,728.16 [†]	\$	\$	\$	\$	\$	\$	\$	\$
State University.....	\$ 447.71	\$	\$ 34,184.47 [‡]	\$ 47,491.02 [§]	\$	\$ 203,348.67 [¶]	\$ 27,648.44*	\$ 1,123,830.87 ^{**}	\$ 1,354,827.98 ^{**}
Arl. Col.—Morrill Grant.....	\$ 42,368.60	\$ 30.00	\$ 50,851.58||	\$ 34,184.47 [‡]	\$	\$ 5,001.53	\$ 1,301.33	\$ 35,987.40	\$ 37,288.73
Agr. Col.—Second Grant.....	\$ 25.00	\$ 1,038.95	\$ 737.65||	\$ 333.68	\$	\$	\$	\$ 14,567.27	\$ 15,606.22
School of Mines.....	\$ 311.40	\$ 302.56	\$	\$	\$	\$ 1,038.95	\$	\$ 7,698.34	\$ 9,092.41
School Normal Schools.....	\$ 27.20	\$ 2,646.59	\$	\$	\$	\$ 1,394.07	\$	\$ 43,526.57	\$ 46,589.78
Deaf and Dumb Asylum.....	\$ 603.69	\$ 292.48	\$ 757.98	\$	\$	\$ 3,003.21	\$	\$ 74,764.33	\$ 75,841.99
State Reform School.....	\$ 50.00	\$ 3,590.90	\$	\$	\$	\$ 4,194.59	\$	\$ 12,537.49	\$ 17,732.28
Capitol Buildings.....	\$ 26.00	\$ 361.06||	\$ 1,328.97||	\$ 424.05||	\$ .....	\$ 1,740.03	\$ 15,189.38	\$ 16,929.41	\$ 15,732.28
Soldiers' Home.....	\$	\$ 2,237.42	\$ 1,304.81	\$	\$	\$ 16,732.28	\$	\$ 209.78	\$ 209.78
Montana Tr. & Legacy Fund.....	\$	\$	\$	\$	\$	\$	\$	\$ 44,426.71	\$ 44,426.71
Veterans' Memorial.....	\$	\$	\$	\$	\$	\$	\$	\$ 7,017.21	\$ 7,017.21
O. H. & T. B. Society.....	\$ 39.00	\$ 1,244.72	\$	\$	\$	\$ 1,283.72	\$	\$ 1,283.72	\$ 1,283.72
TOTALS.....	\$ 66,245.07||	\$ 60,316.70	\$ 54,696.14	\$ 47,915.07||	\$ 5,001.53	\$ 234,174.51||	\$ 51,621.28	\$ 1,356,782.71	\$ 1,642,578.50

[†]) Rights-of-Way.
[‡]) 5% U. S. Land Sales in Montana.
[§]) 5% Total Income for 1937.
^{||}) Land Sales First Payments.
[¶]) Collected by this Department.
^{**}) Transfer of Funds for Investment.
^{*}) Includes \$1,518.78 oil and gas royalties.

Very few land sales were held during the period covered by this table.

TABLE No. V.

RECEIPTS FROM STATE LANDS AND PERMANENT FUNDS BY YEARS

	Income and Receipts for Permanent Funds
Prior to 1896	\$ 172,190.71
During 1896	38,185.23
1897	101,755.98
1898	126,833.71
1899	200,195.20
1900	200,275.25
1901	293,335.75
1902	363,584.63
1903	388,279.13
1904	389,812.60
1905	357,790.52
1906	651,352.62
1907	829,480.06
1908	805,105.35
1909	434,429.96
1910	826,836.01
1911	695,771.74
1912	1,306,892.75
1913	1,223,857.96
1914	1,122,205.27
1915	1,219,602.97
1916	1,657,639.21
1917	1,812,812.29
1918	1,828,712.43
1919	2,263,728.95
1920	1,770,070.57
1921 (December 1, 1920, to June 30, 1921)	699,653.74
1922	1,290,891.25
1923	1,408,825.48
1924 (Up to June 30)	1,183,456.66
TOTAL	<u>\$25,663,054.98</u>
<hr/>	
	Receipts for Permanent Funds
Income	Totals
July 1, 1924 - June 30, 1925	\$1,101,763.73
July 1, 1925 - June 30, 1926	1,276,841.10
July 1, 1926 - June 30, 1927	1,403,869.20
July 1, 1927 - June 30, 1928	1,583,485.78
July 1, 1928 - June 30, 1929	1,588,916.71
July 1, 1929 - June 30, 1930	1,536,964.63
July 1, 1930 - June 30, 1931	1,314,364.67
July 1, 1931 - June 30, 1932	1,020,005.16
July 1, 1932 - June 30, 1933	922,896.98
July 1, 1933 - June 30, 1934	1,085,334.20
July 1, 1934 - June 30, 1935	1,267,699.79
July 1, 1935 - June 30, 1936	1,236,095.95
July 1, 1936 - June 30, 1937	1,019,368.40
July 1, 1937 - June 30, 1938	1,050,325.94
GRAND TOTAL	<u>\$49,243,711.06</u>

Up to June 30, 1924, the figures in the foregoing table represent both the actual income and the receipts for the permanent funds. Beginning with July 1, 1924, as indicated in the table, the two are shown separately. The receipts for the permanent funds, with the exception of repayments on mortgages, include only "new money"; they do not include repayments on bonds, warrants and other investments. For an itemized statement of all receipts for the income and permanent funds see Tables I, II, III, and IV.

The table includes all receipts for the Capitol Building Fund and in later years receipts for the Montana Trust and Legacy Fund and other minor items not arising directly or indirectly from the Federal land grants.

TABLE No. VI.
TOTAL INVESTMENTS MADE DURING FISCAL YEAR JULY 1, 1936, TO JUNE 30, 1938

FUNDS INVESTED	U. S. Bonds	County, City and Town Bonds	School District Bonds	TOTALS
Public School Permanent Fund.....		\$242,700.00	\$1,658,792.06	\$1,901,492.06
State University Permanent Fund.....	51,000.00	712,500.00	123,500.00	1,223,000.00
Agricultural College—Morrill Grant Permanent Fund.....		22,000.00	10,000.00	13,000.00
Agricultural College—Second Grant Permanent Fund.....		3,000.00	30,000.00	53,233.44
School of Mines Permanent Fund.....		23,233.44	21,200.00	67,017.89
State Normal Schools Permanent Fund.....	45,817.89	42,500.00	61,867.56	17,500.00
Deaf and Dumb Asylum Permanent Fund.....		19,367.56	2,000.00	17,500.00
State Reform School Permanent Fund.....		15,000.00	31,450.00	42,450.00
Montana Trust and Legacy Fund.....		5,000.00	15,000.00	22,000.00
Veterans' Memorial Fund.....		1,500.00	15,000.00	15,000.00
Dixon Endowment Fund.....		15,000.00	.....	.....
Ryman Fellowship Fund.....		3,000.00	2,000.00	2,000.00
Ryman Library Fund.....		2,000.00	2,000.00	2,000.00
TOTALS.....		\$433,118.89	\$1,911,442.06	\$2,344,560.95

TABLE No. VII.
TOTAL INVESTMENTS MADE DURING FISCAL YEAR JULY 1, 1937, TO JUNE 30, 1938

FUNDS INVESTED	U. S. Bonds	County, City and Town Bonds	School District Bonds	TOTALS
Public Schools Permanent Fund.....	\$750,000.00	\$286,773.94	\$ 562,989.72	\$1,599,763.66
State University Permanent Fund.....		5,000.00	51,608.02	56,608.02
Agricultural College—Morrill Grant Permanent Fund.....		4,000.00	39,527.65	43,527.65
Agricultural College—Second Grant Permanent Fund.....		20,000.00	26,905.40	46,905.40
School of Mines Permanent Fund.....	65,984.32	22,589.10	88,573.42	
State Normal Schools Permanent Fund.....		100,000.00	10,798.51	110,798.51
Deaf and Dumb Asylum Permanent Fund.....		15,000.00	12,754.04	27,754.04
State Reform School Permanent Fund.....		2,000.00	41,772.96	41,772.96
Montana Trust and Legacy Fund.....		9,000.00	2,000.00	2,000.00
Veterans' Memorial Fund.....		5,886.48	4,145.86	5,886.48
TOTALS.....		\$750,000.00	\$307,758.26	\$ 66,977.74
				\$2,124,736.00

TABLE No. VIII.
PERMANENT ASSETS JUNE 30, 1937

Institutions and Funds to Which the Assets Belong	Value of Unsold Lands at \$10 Per Acre	Deferred Payments on Land Sales (C. P.'s)	SECURITIES			County, City, Town and School District Bonds	Cash With State Treasurer	TOTALS
			Farm Mortgage Loans	U. S. Bonds	State Bonds			
Public Schools Fund.....	\$45,517,774.20	\$2,280,684.79	\$4,168,677.75	\$ 745,000.00	\$ 3,074,000.00	\$ 6,094,489.55	\$ 928,736.67	\$62,948,934.96
State University Fund.....	136,954.00	27,171.38	.....	100,000.00	139,572.00	310,687.29	25,134.59	71,1247.26
A.F. Col.—Morrill Grant Fund	661,471.40	11,646.59	.....	75,000.00	299,000.00	139,500.74	30,218.36	1,216,887.09
A.F. Col.—Second Grant Fund	386,083.20	18,919.00	.....	75,000.00	.....	116,674.19	38,946.52	645,652.91
School of Mines Fund.....	637,099.70	67,574.40	.....	100,000.00	95,000.00	378,780.31	48,588.45	1,316,992.86
State Normal Schools Fund.....	708,433.20	20,749.82	.....	.....	39,000.00	464,563.45	104,913.14	1,322,059.61
Deaf & Dumb Asylum Fund.....	309,672.60	13,947.02	.....	.....	35,000.00	194,596.57	12,866.00	629,607.19
State Reform School.....	371,171.50	6,251.82	.....	.....	5,400.00	175,853.79	26,068.31	584,845.42
Capitol Buildings.....	1,293,338.60	59,524.25	.....	.....	.....	.....	2,224.11	1,355,086.96
Soldiers' Home Fund.....	12,756.10	.....	.....	.....	.....	2,436.11	2,183.38	17,375.59
Oph. Home & T. B. S. Fund.....	650.00	1,244.72	.....	.....	.....	.....	5,00	1,899.72
Veterans' Memorial Fund.....	.....	.....	.....	.....	.....	38,315.77	1,745.18	40,060.95
Mont. Tr. & Legacy Fund.....	.....	.....	.....	.....	.....	186,733.64	7,794.22	194,527.86
TOTALS.....	\$50,150,404.50	\$2,507,843.79	\$4,168,677.75	\$1,095,700.00	\$3,746,972.00	\$8,102,631.41	\$1,226,723.93	\$70,998,253.38

TABLE No. IX.
PERMANENT ASSETS JUNE 30, 1938

Institutions and Funds to Which the Assets Belong	Value of Unsold Lands at \$10 Per Acre	Deferred Payments on Land Sales (C. P. S.)	SECURITIES				County, City, Town and School District Bonds	Cash With State Treasurer	TOTALS
			Farm Mortgage Loans	U. S. Bonds	State Bonds				
Public Schools Fund.....	\$45,647,951.90	\$1,984,044.43	\$4,153,008.92	\$1,000,000.00	\$3,212,619.25	\$6,316,330.50	\$	702,678.65	\$63,016,733.65
State University Fund.....	198,554.00	23,290.12	.....	100,000.00	60,000.00	331,307.91	3,115.30	716,177.33	
Ag. Col.—Morrill Grant Fund	661,471.40	10,607.64	.....	75,000.00	219,000.00	168,461.12	2,576.93	1,216,597.09	
Ag. Col.—Second Grant Fund	408,003.10	11,851.43	.....	75,000.00	.....	155,881.25	1,123.53	651,869.31	
School of Mines Fund.....	641,900.00	53,902.25	.....	100,000.00	95,000.00	423,827.16	6,454.81	1,321,244.22	
State Normal Schools Fund.....	705,833.20	18,899.82	.....	.....	39,000.00	500,397.63	6,735.62	1,331,087.27	
Deaf & Dumb Asylum Fund.....	372,872.60	11,239.23	.....	.....	35,000.00	208,812.92	2,884.24	630,758.99	
State Reform School Fund.....	371,171.50	6,095.72	.....	.....	5,400.00	202,437.37	1,224.76	586,329.35	
Capitol Buildings Fund.....	1,309,385.30	40,810.26	.....	.....	.....	1,906.23	1,352,101.79		
Soldiers' Home Fund.....	12,736.10	.....	.....	.....	4,226.33	393.16	17,375.59		
Orph. Home & T. B. S. Fund.....	630.00	.....	.....	.....	.....	44.00	4,656.13	634.00	
Veterans' Memorial Fund.....	.....	.....	.....	.....	37,185.04	4,184.17			
Mont. Tr. & Legacy Fund.....	.....	.....	.....	.....	207,425.63	2,219.75			
Totals.....	\$50,330,609.10	\$2,160,650.90	\$4,153,068.92	\$1,350,000.00	\$3,746,019.25	\$8,616,552.86	\$	735,854.11	\$71,082,755.14

TABLE No. X.
TOTAL GROSS INCOME OF THE DEPARTMENT, 1930-1938
CLASSIFIED AS TO SOURCE

SOURCE	Year Ending June 30, 1930	Year Ending June 30, 1931	Year Ending June 30, 1932	Year Ending June 30, 1933	Year Ending June 30, 1934	Year Ending June 30, 1935	Year Ending June 30, 1936	Year Ending June 30, 1937	Year Ending June 30, 1938
Fees and Penalties \$	21,589.26	22,073.45	15,175.12	10,760.17	16,531.86	23,142.21	16,049.05	17,092.88	15,949.19
Rentals on Ag. and Grazing Leases.	39,652.14	312,035.58	211,083.94	176,002.68	227,614.43	233,544.38	290,252.42	184,851.36	207,210.47
Oil and Gas Lease	59,049.36	34,093.94	23,671.21	31,924.77	27,929.97	35,844.59	36,283.46	34,100.24	32,732.77
Int. on Land Sales	170,812.12	80,879.70	62,350.90	92,234.95	117,919.99	118,153.96	72,792.20		
Int. and Other Income from Farm Mortgages.....	110,247.29	58,508.50	37,620.48	**100,600.06	**130,295.98	**146,491.62	**95,686.25	**106,558.64	
Interest on Bonds.....	55,3243.76	513,383.41	486,201.62	404,699.11	538,609.13	571,075.25	593,711.52	572,743.53	517,380.94
Int. on State Gen. Fund Warrants.....	44,232.93	82,331.90	107,055.30	178,801.66	2,515.07	16,873.86			
Int. on Bank Deposits.....	21,212.84	36,697.88	20,519.86	7,790.08	13,143.88	7,071.55	4,146.30		
Misc. Receipts*				374.79	47,107.67	127,442.62	23,859.51	1,833.84	56,010.31
Grazing Fees Collected by State Forester.....	7,164.24	8,333.68	6,487.18	8,516.91	6,724.94	8,563.12	7,586.98	8,937.85	10,323.95
Int. on Univ. Millage Warrants.....				1,708.99	8,207.44	3,840.86			
TOTALS.....	\$1,536,965.63	\$1,314,364.67	\$1,020,005.16	\$ 932,896.98	\$1,085,334.20	\$1,267,639.79	\$1,019,368.40	\$1,050,325.94	

* MISCELLANEOUS RECEIPTS IN DETAIL

SOURCE	Year Ending June 30, 1933	Year Ending June 30, 1934	Year Ending June 30, 1935	Year Ending June 30, 1936	Year Ending June 30, 1937	Year Ending June 30, 1938
Boxing Match Receipts from Counties	\$ 374.79	\$ 680.10	\$ 1,430.81	\$ 1,476.34	\$ 522.09	\$ 205.24
Income Tax		\$ 26,885.26	\$ 19,379.26			
Inheritance Tax		\$ 3,548.32	\$ 8,405.87			
Wheat Allotment Receipts (Not Including Farm Mortgages)		\$ 16,053.99	\$ 24,449.65	\$ 22,383.17	\$ 21,698.18	\$ 25,978.56
Electrical Energy Tax			\$ 1,578.74		\$ 6,986.25	\$ 29,788.54
Telegraph Tax			\$ 53.04			
Agricultural Experiment Station Refunds and Transfers			\$ 145.25			
TOTALS.....	\$ 374.79	\$ 47,167.67	\$ 127,442.62	\$ 23,859.51	\$ 29,206.52	\$ 56,010.31

**In addition to the wheat allotment receipts included in "Miscellaneous Receipts", the following wheat allotment receipts are included in "Interest and Other Income from Farm Mortgages":

\$ 6,798.10; \$ 10,326.59; \$ 10,176.75; \$ 8,585.76; \$ 8,394.30

TABLE No. XI.
TOTAL RECEIPTS FOR THE PERMANENT FUNDS, 1930-1938
 (Not Including Repayments)
CLASSIFIED AS TO SOURCE

SOURCE	Year Ending June 30, 1930	Year Ending June 30, 1931	Year Ending June 30, 1932	Year Ending June 30, 1933	Year Ending June 30, 1934	Year Ending June 30, 1935	Year Ending June 30, 1936	Year Ending June 30, 1937	Year Ending June 30, 1938
Land Sales, First Payment.....	\$ 45,533.24	1,986.00	1,929.40	3,787.37	\$ 2,688.83	1,665.00	\$ 66,844.05	\$ 74,389.83	\$ 20,192.00
Rights-of-Way.....	6,663.92	8,897.84	9,120.50		4,897.15	4,600.00	5,017.21	5,097.66	3,236.76
5% of Total Annual Income for Public Schools									
5% of U. S. Land Sales in Mont.....	71,348.68	57,192.39	43,934.60	37,206.68	41,632.83	52,285.69	52,909.23	44,116.11	42,368.60
Installments on Land Sales.....	842.39	1,310.29	1,059.26	943.40	603.84	22.95	425.06	447.71	
Timber Sales by State Forester.....	238,622.59	138,077.60	75,952.45	59,421.81	78,070.10	137,121.48	103,184.62	79,328.20	60,316.70
Oil and Gas Royalties.....	65,145.68	32,294.83	49,654.64	28,681.12	37,138.95	29,734.06	33,437.39	35,474.10	54,696.14
Coal, Sand and Gravel Royalties	150,471.53	61,477.33	61,331.76	33,701.30	44,289.94	50,286.88	85,272.65	64,436.68	49,433.85
"TOTALS".....	1,810.23	1,652.41	2,555.00	1,880.51	2,505.99	2,432.19	27,172.50	5,565.59	5,001.53
	\$580,438.26	\$302,888.69	\$245,537.70	\$165,628.19	\$211,827.63	\$278,148.25	\$374,262.71	\$308,408.17	\$235,693.29

It should be noted that this table does not include repayments on mortgages, or payments of warrants or bonds. It applies only to new receipts, or actual additions to the permanent funds. A complete statement of receipts for the permanent funds during the last two fiscal years may be found in Table No. III and Table No. IV.

TABLE No. XII.
COMPARISON OF PERMANENT ASSETS—1930-1938

Kind of Assets |||	Year Ending June 30, 1930	Year Ending June 30, 1931	Year Ending June 30, 1932	Year Ending June 30, 1933	Year Ending June 30, 1934	Year Ending June 30, 1935	Year Ending June 30, 1936	Year Ending June 30, 1937	Year Ending June 30, 1938
Value of Unsold Lands at \$10.00 per Acre.....	\$45,749,730.20	\$46,148,948.35	\$46,835,047.60	\$46,964,407.80	\$48,594,104.90	\$49,751,564.50	\$49,621,636.10	\$50,150,404.50	\$50,404,317.30
Deferred Pay- ments on Land Sales (C. P.'s)	7,242,104.89	6,530,273.79	5,621,911.96	5,409,650.33	3,393,197.69	3,065,639.96	3,074,115.25	2,507,813.79	2,204,547.21
Farm Mortgage Loans.....	4,301,561.94	4,270,942.18	4,273,807.84	4,281,631.32	4,270,562.27	4,233,866.27	4,191,352.33	4,168,677.75	4,153,068.92
United States Bonds.....	2,031,000.00	1,088,500.00	1,088,500.00	1,088,500.00	1,088,500.00	1,088,500.00	1,591,000.00	1,095,000.00	1,350,000.00
State Bonds.....	925,047.50	925,047.50	917,551.25	3,990,308.75	3,988,539.75	3,987,719.50	3,984,972.00	3,746,972.00	3,746,019.25
County, City and School Dist. Bonds.....	6,478,811.88	7,626,216.25	7,809,073.91	7,372,826.06	7,519,479.57	7,024,379.91	7,828,664.59	8,102,631.41	8,616,552.86
State Gen'l Fund Warrants.....	1,624,699.26	2,172,115.85	2,592,306.73	283,322.22*	84,251.28*	449,029.62	1,270,316.12	415,602.30	1,226,723.93
Cash with State Treasurer.....	1,014,229.88	606,015.09	233,972.17	280,150.25					735,824.11
TOTALS.....	\$69,367,185.55	\$69,368,059.01	\$69,400,923.68	\$69,471,725.79	\$69,303,473.80	\$70,421,986.26	\$70,707,342.57	\$70,998,253.38	\$71,210,359.65

*State Millage Fund Warrants Issued by Units of State University.

All unsold state lands have been, and for purposes of comparison, still are carried at a book value of \$10.00 per acre.
By Act of Congress, the minimum sales price of state land is now \$5.00 per acre.

ITEMS OF INTEREST

Grass Conservation

The conservation of grass, one of Montana's greatest natural resources, is engaging the attention of all State agencies interested in the promoting of proper land usage, and the State Land Department is co-operating to the fullest extent possible, under the laws and rules governing the administration of State owned lands, in this conservation program.

New Records Completed

A WPA Project in connection with the Montana State Land Department, and sponsored by the Commissioner, has accomplished the compilation of certain information which will become a part of the permanent records of the State Land Office, as follows: A complete list of all State owned lands and all State controlled lands by counties, and a complete list of all State owned lands by funds or grants. These records are available and valuable for use of assessors, treasurers, county commissioners, county superintendents and all agencies, Federal and State, working along the lines of land conservation and stabilization of land usage. With each listed tract of land is carried its history pertaining to any transaction affecting its title, such as sale, contract, patent or cancellation of contract, together with the date of such transaction and sale price per acre. The listing of State lands by funds or grants enables any beneficiary to readily ascertain the description, amount and location of State lands from which they derive income.

Summerfallow

The State Land Department has inaugurated a fifty-fifty program in connection with the use of its agricultural land: 50% of the acreage under cultivation summerfallowed each year, and 50% in crop. All agricultural leases are being made in accord with this plan which conforms to the program being carried forward by all agencies engaged in land conservation, and promotes more stable and better farming methods and diminishes hazards incident to dry land farming.

Ten-Year Leases on State Lands

By Congressional enactment it has been provided that State owned lands may be leased for a period of ten years. The former maximum period for lease on State lands was five years. The reaction to this Congressional action has been consistently favorable, and there is no doubt that the matter of the confirmation of the same will come before the next legislative assembly in furtherance of the program for stabilization and conservation for land usage.

Subleasing of State Lands

By legislative enactment, 1937, a sublease on State owned land must be approved by the State Land Department and a copy of the sublease placed on file in the Land Office, and no sublease on State lands may be made on a rental in advance over that paid by the original lessee to the State.

State Lands Lying Within Indian Reservations

The State Board of Land Commissioners has authorized the cooperation of the State Land Department with Federal agencies, looking to the orderly leasing of State lands lying within Indian Reservations.

TABLE No. XIII.
INVESTMENTS MADE FROM JULY 1, 1936, TO JUNE 30, 1937

By Whom Issued	County	Kind of Bond	Amount	Int. Rate	Date of Payment or Order	Fund Invested	Date of Issue	Final Due Date
Stillwater County		Serial Refunding	\$ 20,000.00	3 %	7- 1-36	State Normal School	7- 1-36	7- 1-46
School District No. 5	Richland	High School Building	4,271.58	4 %	7- 1-36	Public School	7- 1-36	7- 1-56
City of Polson	Lake	Amortization Refunding	30,700.00	4 %	7- 3-36	"	7- 1-36	7- 1-51
County High School	Wibaux	Amortization Building	10,817.89	4 %	7- 3-36	State Normal School	12- 1-36	12- 1-55
School District No. 53	Park	Amortization Building	15,500.00	5 %	7- 9-36	Deaf & Dumb Asylum	6- 15-36	6- 15-56
School District No. 7	Sheridan	Serial Building	6,600.00	4 %	7- 16-36	State Normal School	6- 1-36	6- 1-56
School District No. 1	Silver Bow	Amortization Building	8,273.66	3 3/8 %	7- 25-36	Public School	1- 1-36	1- 1-59
School District No. 2	Big Horn	Amortization Building	8,800.00	5 %	7- 27-36	State University	7- 1-36	7- 1-56
Town of Belt	Cascade	Serial Water Works	1,800.00	4 %	7- 3-36	Public School	9- 1-34	
School District No. 3	Ravalli	Amortization Refunding	90,000.00	3 3/4 %	7- 30-36	"	7- 1-36	7- 1-46
Fergus County	"	Serial	15,600.00	4 %	7- 31-36	Dixon Endowment	1- 1-36	
"	"	"	3,600.00	4 %	7- 31-36	Rynn Fellowship	1- 1-36	
School District No. 9	Ravalli	Serial Refunding	20,000.00	4 %	7- 31-36	Kyman Library	1- 1-36	
Town of Butte	Chouteau	Amortization Water Works	30,000.00	4 %	8- 3-36	Public School	6- 1-36	6- 1-46
City of Fort Benton	Teton	Serial Water Works	43,200.00	4 %	8- 10-36	"	6- 15-36	6- 15-56
Cohagen H. S. District	Garrison	Amortization Building	1,600.00	4 %	8- 21-36	"	1- 1-34	1- 1-51
School District No. 30	Flathead	Serial Building	8,600.00	4 %	8- 25-36	State Reform School	8- 1-36	
Fergus County H. S. Dist.	Silver Bow	Amortization Building	2,000.00	5 %	8- 28-36	"	6- 1-36	6- 1-56
School District No. 1	"	Serial Building	27,000.00	4 %	9- 21-36	Public School	9- 1-36	9- 1-56
"	"	"	26,000.00	3 3/8 %	11- 11-36	State University	1- 1-36	
School District No. 12	Fallon	Serial Building	16,000.00	3 3/8 %	11- 11-36	Agricultural Col. 2nd	1- 1-36	
School District No. 32	Baldine	Amortization Building	30,000.00	3 3/8 %	11- 11-36	School of Mines	1- 1-36	
School District No. 1	Silver Bow	Serial Building	17,600.00	4 %	11- 16-36	Mont. Tr. & Legacy	11- 1-36	11- 1-56
Meagher County	Lewis & Clark	Serial Highway Improvement	15,000.00	4 %	11- 28-36	Veterans' Memorial	10- 15-36	10- 15-56
"	"	"	6,000.00	3 3/8 %	12- 9-36	Public School	1- 1-36	
"	"	"	5,000.00	3 1/4 %	12- 30-36	Mont. Tr. & Legacy	7- 1-36	7- 1-56
"	"	"	5,000.00	3 %	1- 2-37	State University	1- 1-37	1- 1-57
"	"	"	10,000.00	3 %	1- 2-37	Agri. College Morrill	1- 1-37	1- 1-57
"	"	"	3,000.00	3 %	1- 2-37	Agricultural Col. 2nd	1- 1-37	1- 1-57
"	"	"	4,500.00	3 %	1- 2-37	School of Mines	1- 1-37	1- 1-57
"	"	"	15,000.00	3 %	1- 2-37	State Normal School	1- 1-37	1- 1-57
"	"	"	4,000.00	3 %	1- 2-37	Deaf & Dumb Asylum	1- 1-37	1- 1-57
"	"	"	4,000.00	3 %	1- 2-37	State Reform School	1- 1-37	1- 1-57
"	"	"	7,500.00	3 %	1- 2-37	Veterans' Memorial	1- 1-37	1- 1-57
"	"	"	7,500.00	3 %	1- 2-37	Mont. Tr. & Legacy	1- 1-37	1- 1-57
"	"	"	5,000.00	3 %	1- 2-37	Public School	1- 1-37	1- 1-57
City of Seeby	Daniels	Amortization Refunding	50,000.00	3 3/4 %	1- 6-37	"	7- 1-37	
Town of Stevensville	Ravalli	Amortization Water Works	15,000.00	3 3/4 %	1- 9-37	"	12- 1-36	12- 1-56

TABLE No. XIII—(Continued)

INVESTMENTS MADE FROM JULY 1, 1936, TO JUNE 30, 1937

TABLE No. XIV.
INVESTMENTS MADE FROM JULY 1, 1937, TO JUNE 30, 1938

By Whom Issued	County	Kind of Bond	Amount	Int. Rate	Date of Payment Order	Fund Invested	Date of Issue	Final Due Date
City of Polson	Lake Treasure	Amortization Water Rfdg.	\$ 15,000.00	4 %	7- 1-37	Agri. College Second School of Mines	7- 1-37	7- 1-62
Town of Hysham	Ravalli Basin	Water Works Amortization	4,914.95	4 1/2 %	7- 7-37	Public School	12- 1-36	1- 1-16
Town of Stevensville	Judith Basin	Amortization Building	6,000.00	3 3/4 %	7- 7-37	Mont. Tr. & Legacy	6-15-37	6- 1-57
School District No. 5	Stillwater	Amortization Refunding	13,500.00	4 %	7- 8-37	State Normal School	7- 1-37	7- 1-57
School District No. 52	" S. A.	Cons. Federal Farm Loan	500,000.00	3 %	7- 8-37	Public School	"	"
School District No. 1	Silver Bow	Amortization Building	80,000.00	3 3/4 %	7- 22-37	"	"	"
School District No. 1	Blaine	Amortization Water Rfdg.	40,000.00	4 1/2 %	7- 23-37	State Normal School	7- 1-37	7- 1-57
School District No. 1	Silver Bow	Serial Building	44,000.00	4 1/2 %	7- 23-37	Public School	1- 1-36	1- 1-56
City of East Helena	Lewis & Clark	Serial Sewer	38,000.00	3 3/4 %	8- 7-37	School of Mines	7- 1-37	7- 1-57
Marshall County	Gratuit	Amortization Refunding	25,000.00	4 %	8- 7-37	State Normal School	7- 1-37	7- 1-57
City of Philipsburg	Lewis & Clark	Amortization Water Works	68,000.00	4 %	8- 7-37	Public School	7- 1-37	7- 1-57
School District No. 1	Daniels	Amortization Building	116,000.00	2,937 1/2 %	9- 1-37	"	"	"
School District No. 12	Roschade	"	18,000.00	4 %	9- 1-37	State University	9- 1-37	9- 1-57
School District No. 12	Cascade	"	12,000.00	4 %	9- 1-37	State Normal School	9- 1-37	9- 1-57
School District No. 17	Hill	Amortization Refunding	42,000.00	4 %	11- 5-37	State University	6-15-37	6- 1-57
School District No. 19	Hill	Serial Building	22,000.00	4 %	11- 5-37	State Normal School	7- 1-37	7- 1-57
Sheridan County	Hill	Amortization Court House	60,000.00	3 1/2 %	11- 12-37	Agri. College Second Public School	7- 30-37	7- 30-57
School District No. 68	Wheatland	Amortization Refunding	1,875,000	3 1/2 %	11- 17-37	Agri. College Merrill	11- 1-37	11- 1-57
School District No. 36	Flathead-Lake	Amortization Building	55,000.00	3 %	12- 6-37	Public School	6- 30-38	6- 30-58
School District No. 1	Custer	Amortization Refunding	15,000.00	4 1/2 %	12- 15-37	State Reform School	12- 1-37	12- 1-57
School District No. 44	Chouteau	"	19,000.00	3 1/2 %	12- 15-37	Agri. College Merrill	10-15-37	10- 1-57
Lewis & Clark County	"	"	15,000.00	3 1/2 %	12- 15-37	State Reform School	1- 1-37	1- 1-48
"	"	"	12,000.00	3 1/2 %	1- 1-38	State Reform School	1- 1-38	1- 1-48
"	"	"	9,000.00	3 1/2 %	1- 1-38	Soldiers Home	7- 1-37	7- 1-57
"	"	"	5,000.00	3 1/2 %	1- 1-38	Mont. Tr. & Legacy	7- 1-37	7- 1-57
"	"	"	15,000.00	3 1/2 %	1- 1-38	State University	7- 1-37	7- 1-57
"	"	"	25,000.00	3 1/2 %	1- 1-38	Deaf & Dumb Asylum	7- 1-37	7- 1-57
"	"	"	15,000.00	3 1/2 %	1- 1-38	State Normal School	7- 1-37	7- 1-57
"	"	"	5,000.00	3 1/2 %	1- 1-38	School of Mines	7- 1-37	7- 1-57
"	"	"	4,000.00	3 %	1- 1-38	Agri. College Merrill	7- 1-37	7- 1-57
"	"	"	2,850.00	5 %	1- 1-38	Public School	8- 1-37	8- 1-57
"	"	"	2,800.00	5 %	1- 1-38	"	12- 1-37	12- 1-57
"	"	"	6,500.00	3 1/2 %	1- 26-38	Mont. Tr. & Legacy	12- 1-37	12- 1-57
"	"	"	2,400.00	5 %	2- 16-38	Public School	1- 5-38	1- 5-48
"	"	"	19,645.85	3 3/8 %	2- 16-38	Mont. Tr. & Legacy	7- 1-37	7- 1-57
"	"	"	9,822.93	3 3/8 %	2- 16-38	State University	7- 1-37	7- 1-57

TABLE No. XIV—(Continued)
INVESTMENTS MADE FROM JULY 1, 1937, TO JUNE 30, 1938

By Whom Issued	County	Kind of Bond	Amount	Int. Rate	Date of Payment or Order	Fund Invested	Date of Issue	Final Due Date
School District No. 1	Silver Bow	Amortization Building	\$ 9,822.93	3 3/4 %	2-16-38	Agri. College Morrill	7- 1-37	7- 1-57
" "	"	"	10,615.86	3 3/4 %	2-16-38	School of Mines	7- 1-37	7- 1-57
" "	"	"	29,485.79	3 3/8 %	2-16-38	State Normal School	7- 1-37	7- 1-57
" "	"	"	29,488.79	3 3/8 %	2-16-38	Public School	7- 1-37	7- 1-57
School District No. 17	Roosevelt	Amortization Building	7,000.09	3 %	"	"	12-15-37	12-15-57
U. S. Treasury		Amortization Building	250,000.00	2 7/8 %	3- 1-38	"	"	12-19-60
		"	"	"	"	"	"	"
School District No. 14	Toole	Amortization Building	35,000.00	4 %	3-14-38	"	12-30-57	12-30-57
Savage H. S. District	Richland	"	30,400.00	5 %	3-14-38	"	1- 1-38	1- 1-58
School District No. 29	Liberity	"	5,000.00	5 %	3-23-38	State Normal School	1- 1-38	1- 1-58
School District No. 9	Sanders	"	15,000.00	4 %	3-30-38	Public School	3- 1-38	3- 1-58
Town of Circle	McCone	Amortization Sewer	12,000.00	4 %	5- 4-38	School of Mines	1- 1-38	1- 1-58
City of Belt	Cascade	Amortization Water Works	10,000.00	5 %	5-11-38	State Normal School	1- 1-38	1- 1-58
City of Glasgow	Valley	Amortization City Park	3,858.99	3 1/2 %	5-19-38	Public School	1- 1-38	1- 1-58
Hugh Sch. Dist. No. 1	Park	Amortization Building	6,450.93	5 %	5-19-38	"	12-15-37	12-15-57
School District No. 1	Silver Bow	"	3,822.93	3 3/4 %	6- 8-38	State University	7- 1-37	7- 1-57
High Sch. Dist. No. 1	Park	"	"	"	"	"	"	"
" "	"	"	1,762.76	2 1/2 %	6-15-38	"	12-15-37	12-15-57
" "	"	"	8,819.72	2 1/2 %	6-15-38	Agri. College Morrill	12-15-37	12-15-57
" "	"	"	4,905.40	2 1/2 %	6-15-38	College Second	12-15-37	12-15-57
" "	"	"	2,913.24	2 1/2 %	6-15-38	Agri. Coll. Second	12-15-37	12-15-57
" "	"	"	8,820.72	2 1/2 %	6-15-38	School of Mines	12-15-37	12-15-57
" "	"	"	1,772.96	2 1/2 %	6-15-38	State Normal School	12-15-37	12-15-57
" "	"	"	5,886.48	2 1/4 %	6-15-38	State Reform School	12-15-37	12-15-57
" "	"	"	12,774.04	2 1/4 %	6-15-38	Veterans' Memorial	12-15-37	12-15-57
City of Lewistown	Fergus	Amortization Water Works	150,000.00	2 1/2 %	6-14-38	Deaf & Dumb Asylum	12-15-37	12-15-57
High Sch. Dist. No. 2	Samers	Amortization Building	10,000.00	2 7/8 %	6-20-38	Public School	6- 1-38	6- 1-58
TOTAL AMOUNT INVESTED							\$2,084,736.00	6-10-38

All bond purchases are approved by the State Board of Land Commissioners following the approval of all proceedings relating to such bonds, by the Attorney General.

TABLE No. XV.

SUMMARY OF ALL LAND SALES FOR THE TWO-YEAR PERIOD
BEGINNING JULY 1, 1936, AND ENDING JUNE 30, 1938

COUNTY	Public Schools (Acres)	School of Mines (Acres)	Deaf and Dumb Asylum (Acres)	Public Buildings (Acres)	Total Acres	Total Sales Price	Average Price per Acre
Sanders.....	149.79	.....	.....	.....	149.79	\$ 1,791.75	.....
Missoula.....	10 lots	.....	.....	.....	.....	1,375.00	.....
Lake.....	360.00	.....	.....	.....	360.00	7,080.01	.....
Chouteau.....	1,279.36	.....	.....	.....	1,279.36	19,188.80	.....
Liberty.....	800.00	.....	.....	.....	800.00	13,320.00	.....
Toole.....	.....	.....	120.00 (3 lots)	.....	120.00	1,905.00	.....
Pondera.....	280.00	.....	.....	.....	280.00	5,840.00	.....
Teton.....	1,919.17	880.00	.....	.....	2,799.17	36,314.94	.....
Cascade.....	912.62	.....	.....	.....	912.62	11,110.33	.....
Lewis & Clark.....	80.00	.....	80.00	.....	80.00	240.00	1,640.00
Garfield*.....	8,697.91	.....	.....	.....	8,697.91	47,343.05	.....
Valley*.....	1,775.55	.....	.....	.....	1,775.55	11,133.40	.....
Fergus*.....	214.96	.....	.....	.....	214.96	1,905.12	.....
Phillips*.....	1,374.82	.....	.....	.....	1,374.82	12,794.66	.....
McCone*.....	160.00	.....	.....	.....	160.00	800.00	.....
Petroleum*.....	687.51	.....	.....	.....	687.51	5,697.39	.....
TOTALS.....	18,631.69	880.00	80.00	200.00	19,851.69	\$179,239.45	\$ 9.03

* In the six counties marked there are included sales to the United States of 12,137.50 acres for the Fort Peck project at a total sales price of \$71,953.62. These sales were made under Chapter 37, Laws of the Extra Session of the Legislative Assembly of 1933-34.

Fiscal Year Ending	Public School (acres)	Agri. Col. Agric. Col. Second Grant (acres)	Uni. Morrill Grant (acres)	School of Mines (acres)	State (acres)	Deaf & Dumb (acres)	State Reform (acres)	Capitol Buildings (acres)	Total Acres	Total Sales Price	Avg. Price Per Acre
1897 and Prior Years											
1898	10,070.76	2,870.13			80.00				641.98	14,622.87	\$ 186,280.89
1899	1,816.06	160.00			160.00				40.00	2,176.06	\$ 12,739
1900	2,442.03	608.42			116.30					3,726.75	11,063
1901	760.00	82.00								41,110.00	11,631
1902	2,076.00	520.00			233.28	40.00				12,692.00	14,349
1903	9,031.29	3,560.90			80.00	286.90				61,029.90	12,882
1904	10,294.29	1,334.95			781.85	1,190.98	1,027.12			277,226.24	14,745
1905	6,227.41	716.90			947.52	1,371	1,022.90			177,084.66	10,686
1906	5,878.82	828.67			103.37	1,200.00	1,009.83			142,118.02	16,030
1907	16,676.56	520.00			392.48	760.00	520.00			10,206.21	11,257
1908	19,331.27	1,121.72			3,820.75	7,182.18	6,358.86	7,778.41		287,407.43	12,718
1909	16,356.36	1,117.29			9,344.06	5,640.06	4,802.31	5,370.64		777,512.20	14,211
1910	3,890.86	36.79			993.81	11,364.96	5,710.04			60,020.81	11,843
1911	97,856.38	9,507.15			1,035.07	475.55	282.00			80,998.50	16,054
1912	51,704.06				3,920.11	2,836.04	6,657.43	1,604.84		2,123	14,238.72
1913	188,258.13	2,537.52			1,963.21	2,107.41	2,632.98	440.00		2,600.00	868.72
1914	84,513.79	1,309.73			2,80.00	1,218.65	3,93	3,13.18		210,10.86	3,126
1915	19,050.32	23.02			2,235.85	1,910.93	931.08	151.38		5,048.61	1,026.45
1916	54,745.26	801.78			1,185.08	1,480.00	1,797.07	1,167.81		6,473.36	1,231.32
1917	113,770.54	2,70.62			560.00	3,843.07	240.00	1,840.00		23,132.06	1,147.23
1918	66,071.51	557.21			1,840.00	2,480.34	14.63	2,921.74		62,341.03	1,146.79
1919	102,584.68				2,325.50	1,765.76	1,288.71	1,360.00		971,463.59	15,583
1920	145,905.46	160.00								1,25,608.00	1,973.39
1921	22,006.93	1,042.00								77,226.97	1,123.28
1922	2,438.44									1,21,219.76	15,691
1923	650.01									1,870,368.24	16,060
1924	73,910									2,491,803.44	15,766
1925	145.83									319,095.36	15,207
1926	2,026.62									21,270.70	16,300
1927	53,088.14									4,751,91.91	11,296
1928	46,592.89									654.32	7,391.32
1929	25,887.72	57.22								1,643.06	10,000
1930	116,201.05				494.60	160.00	764.46	80.00		2,299.33	4,466.98
1931	24,362.25				400.00	1,607.72	1,280.00	702.88		2,067.42	4,856
1932	1,431.00				.97					53,146.98	24,123
1933	1,346.50									46,592.89	14,129
1934	808.32									503,170.66	14,019
1935	11,015.75				240.00					117,714.55	8,18+
1936	2,193.52									27,431.17	15,53
1937	16,740.79									1,321.00	12,13
1938	1,950.90									1,346.50	14,00
TOTALS...	1,358,924.13	31,894.91	11,33,001.20	12,465.20	52,807.70	25,984.35	16,003.84	14,198.81	67,572.21	11,624,041.09	\$24,977,024.39
											\$15.38

This summary does not take into account cancelled certificates of purchase; it shows only the results of the sales as they are made. It will be noted that the average sales price for all these lands is \$15.38 per acre. Under the Enabling Act as originally passed by Congress, the minimum sales price on all lands was \$10.00 per acre. Through an amendment to the Enabling Act signed by the President on May 7, 1932, and accepted by the State in its Legislative Session of 1932, the minimum sales price on grazing land has been reduced to \$5.00 per acre. The minimum of \$10.00 per acre on agricultural lands has been retained.

Total acreage sold by the State, 1,624,041.09. Average price per acre, \$15.38. Acres remaining unsold, 4,945,210.60. See Table No. XVIII.

TABLE No. XVII.
EASEMENT DEEDS TO STATE LANDS ISSUED FROM
JULY 1, 1936, TO JUNE 30, 1938
(Numbers 2210 to 2349, Inclusive)

For What Purpose	No. of Deeds Issued	Acres	Compensation	Fees
Rights of Way for Public Highways	65	390.26	\$ 5,485.84	\$325.00
Telephone, Telegraph, Pipe and Power Lines.....	50	93.29	1,433.83	250.00
School House Sites.....	2	2.01	37.50	10.00
Canals, Ditches, Reservoirs and Dykes	23	180.03	3,276.41	115.00
TOTALS.....	140	665.59	\$10,233.28	\$700.00

All applications for right of way easements are passed upon by the State Board of Land Commissioners. Approximately 50 applications for easements are now pending.

OFFICERS OF STATE LAND DEPARTMENT FROM 1891 TO JULY 1, 1927.

YEAR	STATE LAND BOARD			Atty. General	REGISTER OF STATE LANDS	STATE LAND AGENT	STATE FORESTER
	Governor	Supt. Pub. Inst.	Sec'y of State				
1890-1892	Jos. K. Toole	John Gannon E. A. Steere E. A. Steere	L. Rowitt L. Rowitt L. Rowitt	H. J. Haskell H. J. Haskell H. J. Haskell	S. A. Swiggett		
1893-1904	John E. Rickards			C. B. Nolan James Donovan	III. D. Moore (Thos. D. Long John P. Schmit	Granville Stuart R. O. Hickman J. M. Page	
1895-1896						Henry Neill Henry Neill	
1897-1900	Robt. B. Smith	E. A. Carleton W. W. Welch	T. S. Hogan (Geo. M. Hays			C. W. Jungberg	
1901-1904	Jos. K. Toole					C. A. Whipple	
1905-1908	Jos. K. Toole	W. E. Harmon W. E. Harmon	A. N. Yoder T. M. Swindlehurst	Albert J. Galen (Albert J. Galen (D. M. Kelly	John P. Schmit F. H. Ray	Henry Neill	
1909-1912	Edw. L. Norris					C. A. Whipple	
1913-1916	S. V. Stewart	H. A. Davee May Trumpmer May Trumpmer	A. M. Alderson C. T. Stewart C. T. Stewart	J. B. Poinexter S. C. Ford (W. D. Rankin (L. A. Foot L. A. Foot	Sidney Miller Sidney Miller H. V. Bailey	John C. Van Hook John C. Van Hook R. P. McLaughlin	
1917-1920	S. V. Stewart						
1921-1924	Jos. M. Dixon						
1925-1927	J. E. Erickson	May Trumpmer	C. T. Stewart	I. M. Brandjord	L. E. Choquette	Rutledge Parker	

OFFICERS OF THE DEPARTMENT OF STATE LANDS AND INVESTMENTS
FROM JULY 1, 1927, TO JUNE 30, 1938.

YEAR	STATE BOARD OF LAND COMMISSIONERS			Atty. General	COMMISSIONER OF STATE LANDS AND INVESTMENTS	CHIEF FIELD AGENT	STATE FORESTER
	Governor	Supt. Pub. Inst.	Sec'y of State				
1927-1928	J. E. Erickson	May Trumpmer Elizabeth Ireland Elizabeth Ireland Elizabeth Ireland Elizabeth Ireland Elizabeth Ireland Elizabeth Ireland	J. W. Mountjoy W. E. Harmon W. E. Harmon Sam W. Mitchell Sam W. Mitchell Sam W. Mitchell Sam W. Mitchell	L. A. Foot L. A. Foot Raymond T. Nagle Raymond T. Nagle Raymond T. Nagle Enor K. Matson Harrison J. Freebourn	I. M. Brandjord I. M. Brandjord I. M. Brandjord I. M. Brandjord I. M. Brandjord I. M. Brandjord I. M. Brandjord	L. E. Choquette L. E. Choquette L. E. Choquette L. E. Choquette L. E. Choquette L. E. Choquette L. E. Choquette	Rutledge Parker Rutledge Parker Rutledge Parker Rutledge Parker Rutledge Parker Rutledge Parker Rutledge Parker
1928-1930	J. E. Erickson						
1930-1932	J. E. Erickson						
1932-1934	F. H. Cooney						
1934-1936	F. H. Cooney						
1936-1937	Elmer Holt						
1937-1938	Roy F. Ayers	Ruth Reardon	Sam W. Mitchell	Nanita B. Sherlock	II. C. Biering	Rutledge Parker	

By Act of the 1927 Legislature Assembly the name of the State Land Department was changed to the Department of State Lands and Investments. The Register became Commissioner, and the Land Agent became Chief Field Agent.

TABLE No. XVIII.
LANDS UNSOLD IN EACH GRANT JUNE 30, 1938

COUNTY	Public School	State Uni-versity	Agric. College Morrill Grant (90,000 Acres)	Agri. College Second Grant (50,000 Acres)	School of Mines	State Normal Schools	Deaf & Dumb Asylum	State Reform School	Public Build- ings	TOTALS
	Acres	Acres	Acres	Acres	Acres	Acres	Acres	Acres	Acres	Acres
1. Beaverhead.....	258,651.35	.....	10,360.31	.....	7,169.08	16,905.39	6,320.00	5,960.00	11,733.05	317,099.18
2. Big Horn.....	89,006.72	.....	785.06	.....	1,000.49	1,031.47	.....	40.00	.....	189,066.72
3. Blaine.....	169,191.36	.....	320.00	.....	.....	.....	.....	3,218.81	8,900.12	162,648.38
4. Broadwater.....	19,197.84	.....	357.35	.....	.....	.....	27.75	141.06	.....	28,417.96
5. Carbon.....	37,532.83	.....	139.545.76	.....	.....	228.37	4,969.01	2,193.42	440.00	44,355.21
6. Carter.....	172,428.92	.....	214.29	.....	.....	482.35	.....	480.00	140,382.94	311,468.00
7. Cascade.....	224,441.13	.....	13,431.94	.....	14,114.85	10,652.51	.....	1,093.19	2,165.92	125,004.24
8. Chouteau.....	129,850.43	.....	450.00	.....	.....	.....	.....	.....	126,601.38	125,330.43
9. Custer.....	236,901.38	.....	.....	.....	.....	.....	.....	.....	.....	236,901.38
10. Daniels.....	71,557.39	.....	.....	.....	.....	.....	.....	.....	480.00	72,037.39
11. Dawson.....	8,104.27	.....	.....	.....	.....	.....	.....	.....	.....	8,104.27
12. Deer Lodge.....	52,482.96	.....	.....	.....	.....	.....	.....	.....	.....	52,482.96
13. Fallon.....	145,456.60	.....	2,240.00	.....	3,428.05	13,097.53	9,663.32	5,381.67	2,577.31	147,696.60
14. Fergus.....	72,925.69	.....	1,753.24	.....	495.47	4,833.39	1,940.12	2,574.86	642.32	137,045.15
15. Flathead.....	28,833.94	.....	.....	.....	.....	.....	.....	.....	7,344.00	48,417.34
16. Gallatin.....	152,405.14	.....	.....	.....	.....	.....	.....	.....	.....	152,405.14
17. Glacier.....	14,119.66	.....	.....	.....	.....	.....	.....	.....	.....	14,328.59
18. Golden Valley.....	43,651.84	.....	3,957.65	.....	.....	.....	.....	.....	.....	47,609.49
19. Granite.....	19,235.48	.....	.....	.....	.....	.....	.....	.....	.....	19,235.48
20. Hill.....	124,447.82	.....	.....	.....	.....	.....	.....	.....	.....	125,027.23
21. Jefferson.....	24,649.86	.....	360.00	.....	.....	539.41	.....	40.00	.....	31,479.45
22. Judith Basin.....	87,559.39	.....	.....	800.00	.....	3,190.94	.....	2,520.00	758.68	91,655.52
23. Lake.....	65,718.13	.....	320.84	.....	.....	320.00	1,220.20	1,000.07	1,078.09	157.35
24. Lewis & Clark.....	100,510.08	.....	480.00	7,977.81	1,040.00	4,603.63	1,366.01	2,200.00	1,000.00	69,814.68
25. Liberty.....	92,568.03	.....	.....	.....	.....	.....	.....	.....	.....	92,568.03
26. Lincoln.....	48,844.96	.....	.....	.....	.....	.....	480.00	.....	.....	43,000.00
27. .....	.....	.....	.....	.....	.....	.....	.....	.....	11,157.32	60,482.28

Soldiers' Home Grant
Northern Montana Normal and Manual Training School
"Militia Camp," now used as Agricultural Experiment Station
Miscellaneous parcels, belonging to the State.....
Orphans' Home and Tuberculosis Sanitarium.....

TABLE No. XIX.

STATE LAND AGRICULTURAL AND GRAZING LEASES
IN EFFECT JUNE 30, 1938Showing the Number of Acres Under Lease in Each
Grant and the Annual Rental.

Name of Grant	Grazing Acreage	Annual Grazing Rental	Agri-cultural Acreage	Annual Agri-cultural Rental	Acres Under Crop Share Leases
Public School	2,712,725.80	\$147,494.19	25,515.92	\$16,586.85	306,732.75
State University	10,769.39	613.10	114.00	148.00	180.00
Agri. Morrill Grant	55,799.07	3,453.31	380.00	206.00	.....
Agri. Col. Sec. Grant	15,194.41	644.30	65.00	56.00	.....
School of Mines	35,290.80	1,717.88	637.00	464.00	2,958.74
State Normal School	41,902.62	2,123.55	180.00	171.00	699.00
Deaf & Dumb Asylum	22,492.84	1,244.95	.....	.....	.....
State Reform School	24,425.69	1,400.34	100.00	76.00	80.00
Capitol Building	41,917.24	2,883.03	290.00	196.00	1,000.00
Soldiers' Home	1,296.64	53.45	.....	.....	.....
O. H. & T. B. Society	45.00	5.00	.....	.....	.....
State Prison Site .....	.....	.....	10.00	100.00	.....
General Fund	20.00	20.00	10.00	50.00	.....
TOTALS.....	2,961,879.50	\$161,653.10	27,301.92	\$18,053.85	311,650.49

Total Acreage Under Grazing Leases.....	2,961,879.50
Total Annual Grazing Rental.....	\$161,653.10
Total Acreage Under Agricultural Leases (Except Crop Share Leases).....	27,301.92
Total Annual Agricultural Rental (Except Crop Share Leases)	18,053.85
TOTALS.....	2,989,181.42
Acreage Under Crop Share Leases.....	311,650.49
Total Amount Received from Crop Share Leases	27,503.52
Total Acreage Under Lease.....	3,300,831.49
Total Amount Received from Leases.....	\$207,210.47
Minimum Share Rental—One-fifth of all crops raised, delivered in elevator.	
Total number of leases in effect including 1829 crop share leases—5,958.	
Average Grazing Rentals per acre.....	.054572
Average Agricultural Cash Rental per acre.....	.661508

**LEASING OF STATE LANDS FOR OIL AND GAS,
COAL AND OTHER MINERALS**

TABLE No. XX.

**OIL AND GAS, COAL AND MINING LEASES IN
EFFECT JUNE 30, 1938**

Grant	Number	Acreage	Annual Rental
Oil and Gas Leases			
Public School Lands.....	95	35,433.23	\$29,356.98
Public Building Lands.....	5	499.29	403.96
Farm Loan Lands.....	12	3,280.05	3,788.00
School of Mines Lands.....	1	640.00	480.00
Totals.....	113	39,852.57	\$34,028.94
Coal Leases			
Public School Lands.....	20	3,670.00	\$ 1,375.00
*Placer Mining Leases			
Public School Lands.....	3	1,495.00	\$ 781.25

*So far commercial production has not been obtained under any of these leases and consequently no royalties have been received.

The leasing of state lands for oil and gas exploration and development is governed by Sections 1882.1 to 1882.24, Revised Codes of Montana, 1935.

Under this legislation, oil and gas leases on state lands are granted for a period not exceeding ten years and as long thereafter, during the term of fifteen years commencing with the date of the lease, as oil or gas in commercial quantities is produced from the land. The minimum annual rental is fixed at the flat rate of seventy-five cents per acre, but with a minimum total rental under each lease of \$50.00 per annum. No oil and gas lease shall include more than one section of land, but several leases may be issued to the same lessee.

The statutes require that at least one well shall be drilled under each lease within two years after the date of its issue, but power and authority is given to the State Board of Land Commissioners to extend the time for the commencement or completion of such drilling from year to year not exceeding ten years from the date of the lease upon such terms and conditions as the Board may determine. It has been the general practice of the Board to grant such extension of time upon the payment of a penalty of \$1.00 per acre per annum. Such extension of time for drilling does not release the lessee from the obligation of drilling offset wells.

During the last fiscal year the penalties for failure to drill and for extension of time amounted to \$9,571.29.

In addition to these rentals and penalties for delay in drilling, there is reserved to the state a royalty on the oil and gas produced and saved

of twelve and one-half per centum of the production. In case of heavy production a graduated scale of higher royalties becomes effective. The royalty on gas is fixed at the flat rate of twelve and one-half per centum.

The lessee is required to furnish a surety company bond in the amount of \$1,000.00 conditioned for the faithful performance of his obligations under the lease, and the State Board of Land Commissioners reserves the right to increase this bond if found necessary.

On January 22, 1934, the State Board of Land Commissioners ruled that all lands for which applications for oil and gas leases have been filed shall be advertised in two issues of the Montana Oil Journal before granting such applications. In the case of more than one applicant, the lease is issued to the highest and best bidder.

All rentals on oil and gas mining leases are credited to the Income Fund of the school or institution to which the lands belong; all royalties are added to the permanent funds. All rentals on coal leases are regarded as payment of royalties for the coal taken and are therefore added to the permanent funds.

During the two fiscal years covered by this report oil royalties amounting to \$2,546.88 were obtained from lands in and adjoining the townsite of Cut Bank belonging to the Capitol Building Grant, see Tables III and IV. With this exception all oil so far discovered on state lands has been on lands belonging to the public schools, which constitute approximately ninety per cent of all state owned lands.

TABLE No. XXI.

**RENTALS AND ROYALTIES ON COAL, OIL AND GAS LEASES
AND SAND AND GRAVEL PERMITS**

Collected From December 1, 1918, to June 30, 1938.

Fiscal Year Ending	Coal, Sand and Gravel Rentals and Royalties	Rentals on Oil & Gas Leases	Oil & Gas Royalties	TOTALS
Nov. 30, 1919.....	\$11,225.84	\$ 15,243.20	\$ None	\$ 26,469.04
Nov. 30, 1920.....	11,486.53	55,901.00	None	67,387.53
June 30, 1921.....	4,539.74	29,601.27*	None	34,141.01
June 30, 1922.....	5,923.20	29,601.27*	2,759.71	38,284.18
June 30, 1923.....	5,148.53	83,430.70	5,132.25	93,711.48
June 30, 1924.....	4,239.50	39,832.78	6,905.82	50,978.10
June 30, 1925.....	1,733.25	33,950.00	8,504.18	44,187.43
June 30, 1926.....	2,254.64	32,300.00	185,189.46	219,744.10
June 30, 1927.....	1,334.51	38,260.00	313,997.30	353,591.81
June 30, 1928.....	2,549.45	92,849.78	155,689.97	251,089.20
June 30, 1929.....	2,033.90	56,147.89	138,806.57	196,988.36
June 30, 1930.....	1,810.23	93,279.04	150,471.53	245,560.90
June 30, 1931.....	1,652.41	59,049.36	61,477.33	122,179.10
June 30, 1932.....	2,555.00	34,093.94	61,331.76	97,980.70
June 30, 1933.....	1,880.51	23,671.21	33,701.30	59,253.02
June 30, 1934.....	2,505.99	31,924.77	44,289.94	78,720.70
June 30, 1935.....	2,432.19	27,929.97	50,286.88	80,649.04
June 30, 1936.....	5,018.54	35,844.59	85,272.65	126,135.78
June 30, 1937.....	5,565.59	26,283.46	64,436.68	96,285.73
June 30, 1938.....	5,001.53	33,620.24	47,915.07	86,536.84
Totals.....	\$80,891.08	\$872,814.47	\$1,416,168.40	\$2,369,873.95

*Rentals for the two years averaged.

Of the oil and gas royalties above listed, \$7,071.12 received during the last four fiscal years belongs to the Capitol Building Grant and has been expended in payment of outstanding capitol building bonds. The remainder of these oil and gas royalties has come from lands belonging to the public schools and has been added to the Public School Permanent Fund.

TABLE No. XXII.
CONDITION OF STATE FARM LOANS AND CONTRACTS
JUNE 30, 1938

Classification	No. of Loans	Acres	Original Amount of Loan	Unpaid Principal
1. Loans still carried in original form	2	560.00	\$ 2,200.00	\$ 642.52
2. Loans converted and amortized not subject to foreclosure.....	81	27,723.62	153,350.00	134,482.48
3. Loans under which State has taken title and lands have not been resold.....	647	221,523.23	1,232,076.70	1,413,541.50
4. Loans converted and amortized under which State has taken title and lands have not been resold	158	59,664.34	293,750.00	315,553.53
5. Sales contracts in force.....	584	200,645.26	1,171,897.79	1,206,131.37
6. Sales contracts cancelled and the lands not resold.....	453	158,631.07	969,990.40	1,082,717.52
TOTALS.....	1,925	668,747.52	\$3,823,264.89	\$4,153,068.92

TAXES AND COSTS PAID BY THE STATE IN CONNECTION WITH ITS FARM LOANS

(Included in "Unpaid Principal" in table above given)

Up to June 30, 1922.....	\$ 45,297.66
Year ending June 30, 1923.....	75,630.72
Year ending June 30, 1924.....	169,566.59
Year ending June 30, 1925.....	137,633.90
Year ending June 30, 1926.....	45,777.63
From June 30, 1926, to June 30, 1928.....	49,177.17
Year ending June 30, 1929.....	9,166.18
Year ending June 30, 1930.....	14,009.14
Year ending June 30, 1931.....	11,162.88
Year ending June 30, 1932.....	12,488.40
Year ending June 30, 1933.....	15,667.31
Year ending June 30, 1934.....	15,844.72
Year ending June 30, 1935 (net amount).....	1,053.82
Year ending June 30, 1936 (net amount).....	14,559.07
Year ending June 30, 1937.....	1,431.88
Year ending June 30, 1938.....	10,510.83
TOTAL.....	\$628,977.90

TOTAL INVESTMENT IN FARM LOANS AT CLOSE OF EACH FISCAL YEAR

June 30, 1924.....	\$4,551,655.03
June 30, 1925.....	4,595,261.19
June 30, 1926.....	4,549,039.77
June 30, 1927.....	4,529,084.23
June 30, 1928.....	4,433,894.77
June 30, 1929.....	4,342,179.76
June 30, 1930.....	4,301,561.94
June 30, 1931.....	4,270,942.18
June 30, 1932.....	4,273,807.84
June 30, 1933.....	4,281,631.32
June 30, 1934.....	4,270,562.27
June 30, 1935.....	4,233,866.27
June 30, 1936.....	4,191,352.33
June 30, 1937.....	4,168,677.75
June 30, 1938.....	4,153,068.92

PERTINENT FACTS AND FIGURES RELATING TO FARM LOANS

Date first loan issued, December 23, 1916.

Date last loan issued, December 24, 1924.

2,363 original loans made.

803,162.23 acres involved.

\$4,648,750.00 invested.

438 loans paid in full up to June 30, 1938.

1,925 loans still in effect in some form.

1,842, number of above loans to which state has taken title. (95.6%).

584 amortization sales contracts on farm loan land in effect.

\$628,977.90 paid by state in taxes, foreclosure costs, abstract continuation and other costs to protect its investment. (This amount included in "Unpaid Principal" in foregoing table.)

852 Farm Loan Leases in effect.

Improvements of value, in some large amount, were involved in all original farm loan transactions and in recognition of this situation and the likelihood of unwarranted deterioration or removal of such improvements, this department is making special effort to place all unoccupied farm loan lands under lease. The field division has given special attention to this phase of field work during the present season and on June 30, 1938, there were 852 Farm Loan Leases in effect.

To protect its investment, the State has been obliged to pay out in taxes, foreclosure costs, abstract continuations, and other costs a total of \$628,977.90. On December 10, 1937, the State Board of Land Commissioners adopted a resolution making it impossible for any further large amounts of taxes to be paid by the State. This resolution provides that procedure to secure title, either through foreclosure or by securing a quit-claim deed, shall be promptly started in any case where the property taxes on mortgage lands are not paid when due.

OPERATION OF THE STATE FARM LOAN SINKING FUND

The 1935 Legislature, realizing the obligation of the State of Montana to protect the Public School Permanent Fund against loss or diversion, as provided by Section 3 of Article XI of the State Constitution, passed Chapter 127 setting up a fund to be known as the State Farm Loan Sinking Fund. The purpose of this fund was to provide for the repayment to the Public School Permanent Fund of the entire investment in farm loans as of January 1, 1935, the total being \$4,250,625.95. To accomplish this end, the fund operates as follows: All moneys received from farm loans, from whatever source, are credited to the State Farm Loan Sinking Fund. A quarterly transfer is then made to the Public School Permanent Fund and the Public School Interest and Income Fund, the amount transferred to the latter being interest at the rate of 2% per annum on the unpaid balance of the total investment. Whatever is left in the sinking fund

over and above the amount of the interest thus paid, is transferred to the Public School Permanent Fund, which is thus slowly being reimbursed for its investment in farm loans.

All taxes and other costs are paid out of the State Farm Loan Sinking Fund, but the net transfers since the act went into effect on March 13, 1935, have amounted to nearly \$440,000.00, of which \$186,747.48 has gone into the Public School Permanent Fund.

ADMINISTRATION OF MORTGAGE LANDS

Under a ruling by the Attorney General, the remaining 640,000.00 acres of mortgage lands may now be sold for the amount of the investment without including accrued interest in the sales price. Many mortgagors have taken advantage of this ruling and are now buying their lands back for considerably less than would have been necessary under the old plan. There are, however, approximately 440,000 acres which are not under sales contract.

For the benefit of the State and the benefit of the lands themselves, this department is endeavoring to lease this acreage as rapidly as possible. The co-operation of the field department in this work is especially important, for it involves checking up the present condition of the land, appraisals of improvements, and re-appraisal of the land itself, all of which requires first-hand knowledge of conditions from investigation on the ground.

Needless to say, the efficient handling of the State's mortgage lands, as well as all state lands, would be greatly increased and the income from the same substantially augmented if a larger field staff were made available.

TABLE No. XXIII.

**ANNUAL APPORTIONMENT OF THE INCOME FROM THE
PUBLIC SCHOOL PERMANENT FUNDS, ETC., TO
THE SCHOOL DISTRICTS OF THE STATE**

Year in Which Appportioned	Total Income	Less 5% Added to Permanent Fund	Amount Appor-tion- ed	Number of Persons of School Age	Amount Per Capita
1889 to 1896.....	\$.....	\$.....	\$ 51,027.60	39,252	\$1.30
1897			17,731.56	42,218	.42
1898			28,630.98	46,179	.62
1899			41,561.52	49,478	.84
1900			80,428.50	53,619	1.50
1901			105,842.20	57,212	1.85
1902			138,905.00	61,736	2.25
1903			168,019.80	64,623	2.60
1904			169,786.65	66,583	2.55
1905			183,366.75	69,195	2.65
1906			205,360.60	70,814	2.90
1907			217,494.00	72,498	3.00
1908			227,071.90	73,249	3.10
1909			250,380.00	77,040	3.25
1910			305,793.75	81,545	3.75
1911			266,415.00	88,805	3.00
1912			345,404.50	98,687	3.50
1913			419,096.00	104,774	4.00
1914			513,144.00	114,032	4.50
1915			632,085.00	126,417	5.00
1916			713,291.25	135,865	5.25
1917			810,991.50	147,433	5.50
1918			877,536.00	159,552	5.50
1919			890,873.50	161,977	5.50
1920			969,756.00	161,625	6.00
1921			954,418.20	156,426	6.10
1922			785,082.90	160,211	4.90
1923			936,794.40	160,410	5.84
1924			892,363.54	157,745	5.67
1925	861,278.56	43,063.93	818,214.63	157,872	5.18
1926	1,252,395.83	62,629.79	1,189,966.04	156,383	7.61
1927	1,365,181.09	68,259.05	1,296,922.04	154,458	8.3966
1928	1,233,910.50	61,695.53	1,172,090.55	152,119	7.70509
1929	1,340,903.71	67,045.19	1,273,858.52	157,747	8.07532
1930	1,426,973.50	71,348.68	*1,355,624.82	160,846	8.42809
1931	1,143,847.76	57,192.39	1,086,655.37	160,836	6.75629
1932	578,693.71	43,934.69	834,759.02	161,372	5.17288
1933	744,133.56	37,206.68	706,926.88	161,909	4.36619
1934	832,656.52	41,632.83	791,023.69	162,099	4.87988
1935	1,045,713.87	52,285.69	993,428.18	162,807	6.10187
1936	1,058,184.61	52,909.23	1,005,275.38	163,053	6.16532
1937	882,322.17	44,116.11	838,206.06	163,286	5.13361
1938	847,371.91	42,368.60	805,003.31	160,204	5.02486

*There was a balance of \$124.42 not apportioned.

In the years 1925, 1926, and 1927 the total income included almost \$469,000.00 in receipts from oil license taxes and metalliferous mines taxes. Chapter 119 of the 1927 Session Laws provided that proceeds from such taxes should no longer go into the Public School Interest and Income Fund, but into the State Common School Equalization Fund. From time to time various statutes have been enacted to add parts of miscellaneous taxes to the Public School Interest and Income Fund. At the present time the only one of these which is in effect is Chapter 83 of the 1937 Session Laws, providing for the addition of 25% of the Electrical Energy tax to the Public School Interest and Income Fund.

TABLE No. XXIV.
INCOME OF THIS DEPARTMENT APPORTIONED TO THE COUNTIES OF THE STATE
IN THE YEARS 1930 TO 1938 INCLUSIVE

(The rate is the amount per census person between the ages of 6 and 21.)

Name of County	1930 Rate \$8,428,691.15	1931 Rate \$6,756,294.43	1932 Rate \$5,172,886.38	1933 Rate \$4,366,198.79	1934 Rate \$4,879,801.14	1935 Rate \$6,101,876.34	1936 Rate \$6,163,328.95	1937 Rate \$5,133,614.17	1938 Rate \$5,024,816.95
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Beaverhead.....	\$ 12,810.70	\$ 10,445.23	\$ 8,245.58	\$ 7,221.69	\$ 7,749.25	\$ 9,726.39	\$ 9,519.27	\$ 7,966.98	\$ 7,366.45
Big Horn.....	23,286.82	19,005.46	15,177.25	13,124.79	14,915.95	19,855.51	21,079.26	17,727.72	14,915.90
Blaine.....	22,106.88	19,093.20	14,655.82	12,448.03	15,665.53	18,422.58	18,274.03	14,732.49	13,808.85
Broadwater.....	6,599.20	5,107.76	4,065.59	3,562.81	3,928.30	4,826.55	5,104.89	3,860.29	3,860.29
Carbon.....	37,269.02	29,180.44	22,931.41	18,321.42	20,507.98	25,078.71	24,655.15	19,085.84	18,627.17
Cascade.....	10,484.55	8,499.42	5,616.12	5,128.45	6,319.45	7,474.80	7,466.21	5,528.68	4,914.32
Chouteau.....	99,114.35	76,515.03	58,463.96	49,578.32	54,366.02	66,689.10	67,578.11	55,178.50	52,856.54
Custer.....	22,005.75	17,796.08	13,196.03	11,356.48	12,511.29	14,300.78	14,605.66	11,452.53	10,617.54
Daniels.....	27,121.60	22,761.96	16,698.08	14,168.32	15,317.94	19,062.26	18,761.10	15,810.75	15,110.82
Dawson.....	16,704.48	13,181.53	9,600.88	8,243.38	9,457.21	11,341.69	11,182.91	9,055.25	7,828.79
Dear Lodge.....	25,370.83	20,181.01	15,818.42	12,819.16	14,513.04	18,281.22	17,965.47	14,388.81	13,436.49
Fallon.....	38,137.11	29,410.15	20,065.63	16,172.40	17,039.33	21,808.11	21,843.76	18,002.70	17,526.73
Fergus.....	12,861.27	10,783.05	8,328.35	7,073.24	7,655.57	10,850.30	9,272.65	6,422.84	6,688.09
Fremont.....	43,505.51	33,600.64	25,190.59	21,766.83	24,766.83	30,570.40	30,043.65	23,505.66	20,958.71
Gallatin.....	49,582.46	41,024.22	32,196.04	27,585.64	30,754.21	38,923.87	40,919.29	37,214.14	37,214.14
Garfield.....	43,488.95	35,004.36	22,909.46	25,658.41	30,954.82	32,084.34	26,565.15	25,350.44	25,350.44
Glacier.....	11,420.27	9,141.27	6,874.17	6,874.17	6,855.56	8,066.69	7,466.21	5,600.50	4,663.07
Golden Valley.....	15,861.67	12,891.01	10,459.58	8,787.16	10,633.98	14,729.33	15,388.66	13,706.07	13,180.22
Granite.....	6,169.36	4,749.67	3,496.87	2,820.56	3,171.92	3,717.06	3,606.72	2,813.08	2,562.68
Hill.....	6,776.18	5,418.55	4,288.32	3,527.89	3,801.43	4,887.60	5,018.58	4,512.23	4,522.38
Jefferson.....	34,242.34	27,788.64	20,407.04	17,215.92	19,148.65	25,810.94	26,523.24	23,346.53	20,988.86
Judith Basin.....	9,355.18	7,175.18	5,493.60	4,852.68	5,211.71	6,486.20	6,726.31	5,528.63	5,301.23
Lake.....	13,990.63	10,749.26	7,780.02	6,606.20	7,178.30	8,712.29	8,495.82	6,539.90	5,703.22
Lewis & Clark.....	28,748.22	25,315.84	20,463.94	17,386.20	21,211.88	25,005.49	27,256.92	23,110.39	24,646.96
Lincoln.....	38,912.50	31,619.46	25,000.08	20,647.75	23,227.03	29,777.16	30,456.72	24,866.54	24,866.54
Madison.....	17,833.84	13,803.11	10,674.95	8,036.77	9,348.03	10,325.59	12,594.21	4,315.73	3,331.48
Meagher.....	14,091.77	11,485.70	8,737.00	7,506.62	8,139.64	9,769.10	12,546.41	11,134.26	11,064.75
Mineral.....	3,755.93	3,202.48	2,446.74	2,834.74	2,327.18	2,501.94	3,197.38	8,577.85	8,346.38

Missoula.....	49,430,76	40,632,35	31,311,48	26,083,68	29,586,71	37,428,91	33,967,45	34,279,62
Musselshell.....	21,567,48	16,701,56	12,451,14	10,234,37	10,994,37	13,533,45	12,733,66	10,533,66
Park.....	24,846,01	19,532,45	13,635,59	13,635,64	15,322,10	19,030,06	19,001,54	15,764,35
Petroleum.....	5,259,13	4,047,20	4,047,45	4,047,46	3,889,65	3,478,07	3,202,50	2,020,50
Phillips.....	22,696,85	17,444,75	13,765,05	11,496,20	12,580,33	16,167,60	12,551,07	12,260,67
Pondera.....	18,297,38	14,688,19	9,631,33	6,248,85	6,510,14	10,686,70	13,820,75	11,375,53
Powder River.....	9,641,74	8,033,23	6,033,23	5,510,14	6,207,21	7,430,10	5,800,70	5,185,30
Powell.....	13,046,68	9,985,80	8,209,37	6,332,26	7,851,65	9,213,83	9,063,03	6,730,44
Prairie.....	11,175,65	8,785,52	6,848,49	5,680,42	6,067,13	7,084,28	6,652,39	4,436,95
Rivière.....	25,891,10	21,775,54	16,548,06	14,390,99	16,254,88	20,933,84	18,584,82	18,788,10
Roseland.....	23,764,14	23,288,65	18,306,84	15,369,02	17,772,52	20,313,15	17,239,50	16,823,24
Rossebud.....	33,080,26	27,991,33	21,974,42	18,425,36	21,521,88	26,316,02	26,917,48	20,988,71
Rosebud.....	18,288,93	15,228,69	11,463,12	9,889,44	10,144,28	13,533,96	14,118,60	11,069,36
Sanders.....	23,620,70	19,700,12	9,620,96	7,867,96	7,777,19	10,290,05	10,838,65	9,527,52
Sheridan.....	29,085,34	23,072,75	17,000,33	15,198,74	16,630,63	20,319,25	19,507,10	15,610,55
Silver Bow.....	12,224,58	9,452,92	70,827,16	60,179,33	67,527,78	84,962,53	85,617,92	70,549,09
Stillwater.....	16,763,47	13,377,46	10,175,07	8,588,31	9,559,69	11,142,38	11,295,71	8,983,38
Sweet Grass.....	9,903,00	7,829,73	5,690,71	4,881,41	5,311,38	6,766,98	6,635,25	5,291,38
Teton.....	16,771,90	13,790,71	9,890,76	8,509,72	8,878,09	11,377,29	11,632,98	8,850,92
Toole.....	14,007,49	11,857,30	8,485,64	7,793,66	8,534,91	10,946,77	10,974,29	8,436,78
Treasure.....	4,239,33	3,418,68	2,741,63	2,344,65	2,654,65	3,207,22	3,380,93	2,607,75
Valley.....	33,636,51	26,363,06	19,931,13	16,958,32	18,914,42	29,758,85	33,107,82	31,195,44
Wheatland.....	9,882,44	7,756,23	5,990,20	4,977,47	5,402,03	6,537,31	6,045,42	5,425,96
Wibaux.....	8,124,68	6,560,36	5,022,87	4,235,21	4,601,73	5,346,61	4,455,23	3,849,05
Yellowstone.....	79,114,57	65,603,62	52,892,76	44,622,55	50,823,95	64,997,19	66,005,33	58,217,45
TOTALS.....	\$1,355,624.82	\$1,086,655.37	\$ 834,759.02	\$ 706,926.88	\$ 791,023.69	\$ 993,428.18	\$ 1,005,275.38	\$ 838,206.06
								\$ 805,003.31

TOTAL OF ALL APPORTIONMENTS FOR THE NINE YEARS.....\$8,416,902.71

TABLE No. XXV.

ADDITIONS TO THE PUBLIC SCHOOL PERMANENT FUND

(Under constitutional provision that 5% of the income for the Public School Interest and Income Fund shall be added annually to the Permanent Fund.)

Month Transfer Was Made	Amount
March, 1921	\$ 7,442.22
March, 1922	41,253.83
March, 1923	49,314.52
March, 1924	46,967.18
March, 1925	43,063.93
March, 1926	53,275.11
February, 1927	68,259.05
February, 1928	61,695.53
April, 1929	67,045.19
March, 1930	71,348.68
April, 1931	57,192.39
April, 1932	43,934.69
March, 1933	37,206.68
February, 1934	41,632.83
January, 1935	52,285.69
January, 1936	52,909.23
January, 1937	44,116.11
May, 1938	42,368.60
TOTAL.....	\$881,311.46

TABLE No. XXVI.

COST OF ADMINISTRATION

	July 1, 1936 to June 30, 1937	July 1, 1937 to June 30, 1938
1. Salaries:		
Commissioner	\$ 3,600.00	\$ 3,600.00
Assistant Commissioner	1,638.70*	2,000.00*
Other Salaries	15,747.32	14,472.39
2. Official Bonds	60.00	65.00
3. Industrial Accident Insurance	57.73	31.48
4. Legal Advertising	756.15	605.00
5. Furniture, Equipment, and Repairs.....	718.70	322.15
6. Postage	1,738.88	885.00
7. Other Operating Expenses	<u>2,131.96</u>	<u>1,908.97</u>
Totals.....	<u>\$26,449.44</u>	<u>\$23,889.99</u>

Field Division—Under Chief Field Agent

1. Salaries:		
Chief Field Agent.....	\$ 3,250.00	\$ 3,250.00
Others	5,245.20	5,954.69
2. Traveling and Other Operating Expenses	5,028.24	5,639.59
3. Capital and Repairs.....	691.10	39.83
Totals.....	<u>\$14,214.54</u>	<u>\$14,884.11</u>
Total for Department.....	<u>\$40,663.98</u>	<u>\$38,774.10</u>

*The salary of the Assistant Commissioner is fixed by law at \$2,400.00 per year, but as the department was without an assistant commissioner from March 7 to September 1, 1937, the actual expenditure for the two fiscal years was less than this amount.

